

ORDINANCE NO. 49-414

AN ORDINANCE AUTHORIZING THE CITY OF WICHITA, KANSAS, TO ISSUE ITS TAXABLE INDUSTRIAL REVENUE BONDS IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$1,409,479.02 FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE THE INSTALLATION OF IMPROVEMENTS TO CERTAIN EXISTING AVIATION MANUFACTURING AND FLIGHT TESTING FACILITIES AS WELL AS TO FINANCE THE ACQUISITION OF CERTAIN MACHINERY AND EQUIPMENT FOR SUCH FACILITIES LOCATED IN THE CITY OF WICHITA, KANSAS; PRESCRIBING THE FORM AND AUTHORIZING EXECUTION OF A TWENTY-SECOND SUPPLEMENTAL TRUST INDENTURE BY AND BETWEEN THE CITY AND THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., ST. LOUIS, MISSOURI (THE "TRUSTEE"), AS TRUSTEE WITH RESPECT TO THE BONDS; PRESCRIBING THE FORM AND AUTHORIZING THE EXECUTION OF A TWENTY-SECOND SUPPLEMENTAL LEASE BY AND BETWEEN LEARJET INC. AND THE CITY; APPROVING THE FORM OF A GUARANTY AGREEMENT; AND AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT BY AND BETWEEN THE CITY AND LEARJET INC., AS PURCHASER OF THE BONDS.

WHEREAS, the City of Wichita, Kansas (the "Issuer") is authorized by K.S.A. 12-1740 to 12-1749d, inclusive, as amended (the "Act"), to acquire, purchase, construct, install and equip certain improvements and additions (as defined in the Act) for commercial, industrial and manufacturing purposes, and to enter into leases and lease-purchase agreements with any persons, firm or corporation for said facilities, and to issue revenue bonds for the purpose of paying the cost of any such facilities and to refund such revenue bonds previously issued; and

WHEREAS, pursuant to the Act, the Issuer's Governing Body has heretofore: (1) expressed its intent to issue Taxable Industrial Revenue Bonds (Learjet Inc.), in the original aggregate principal amount not to exceed \$86,000,000, pursuant to a Letter of Intent dated September 10, 1996; and (2) expressed its intent to issue Taxable Industrial Revenue Bonds (Learjet Inc.), in the original aggregate principal amount not to exceed an additional \$79,188,000, pursuant to a Letter of Intent dated November 16, 2007 (collectively, the "Letter of Intent"); all for the purpose of paying the cost of constructing, installing and equipping an expansion and improvements to existing aviation manufacturing and flight testing facilities (the "Project"); and

WHEREAS, pursuant to various ordinances of the Issuer, the Issuer has heretofore authorized the issuance of twenty-one series of such taxable industrial revenue bonds, in the original aggregate principal amount of \$120,748,948.36 (the "Outstanding Bonds"), for the purpose of constructing, equipping and installing portions of the Project; and

WHEREAS, in connection with the issuance of the Outstanding Bonds, the Issuer has heretofore authorized (i) the execution and delivery of a Trust Indenture dated as of

December 1, 1996, as supplemented and amended from time to time in accordance with the provisions thereof and together with the herein authorized and defined Twenty-Second Supplemental Indenture (collectively, the “Indenture”) with The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri (as successor to INTRUST Bank, N.A., Wichita, Kansas), as trustee (the “Trustee”), for the purpose of issuing and securing the Outstanding Bonds and any Additional Bonds (as defined therein), and (ii) the execution and delivery of a Lease Agreement dated as of December 1, 1996, as supplemented and amended from time to time in accordance with the provisions thereof and together with the herein authorized and defined Twenty-Second Supplemental Lease (collectively, the “Lease”), by and between the Issuer, as lessor, and Learjet Inc., a Kansas corporation (the “Tenant”), as lessee, under which the proceeds of the Outstanding Bonds were used to pay a portion of the costs of the Project; and

WHEREAS, the Issuer has heretofore and does hereby find and determine that it is desirable in order to promote, stimulate and develop the general economic welfare and prosperity of the Issuer and the State of Kansas that the Issuer issue a twenty-second series of its taxable industrial revenue bonds to be designated “City of Wichita, Kansas, Taxable Industrial Revenue Bonds, Series VIII, 2012 (Learjet Inc.)” in the original aggregate principal amount not to exceed \$1,409,479.02 (the “Series VIII, 2012 Bonds”), for the purpose of installing the improvements to certain existing aviation manufacturing and flight testing facilities, as well as to acquire certain machinery and equipment for the Project (the “Series VIII, 2012 Additions”); and

WHEREAS, the Series VIII, 2012 Bonds are more fully described in the Twenty-Second Supplemental Indenture and the Twenty-Second Supplemental Lease hereinafter authorized; and

WHEREAS, the Series VIII, 2012 Bonds and the interest thereon shall not constitute an indebtedness of the Issuer within the meaning of any constitutional provision or statutory limitation, shall not constitute nor give rise to a pecuniary liability of the Issuer, nor shall any Series VIII, 2012 Bond or the interest thereon be a charge against the general credit or taxing powers of the Issuer; and

WHEREAS, the Series VIII, 2012 Bonds are not general obligations of the Issuer and are payable solely from certain fees, rentals, revenues and other amounts derived by the Issuer pursuant to the Lease, as the same may be further amended and supplemented and, under certain circumstances, from the proceeds of the Series VIII, 2012 Bonds and insurance and condemnation awards; and

WHEREAS, the Issuer further finds and determines that it is necessary and desirable in connection with the issuance of the Series VIII, 2012 Bonds (i) to execute and deliver a Twenty-Second Supplemental Trust Indenture dated as of December 1, 2012 (the “Twenty-Second Supplemental Indenture”), for the purpose of issuing and securing the Series VIII, 2012 Bonds as provided therein; and (ii) to enter into a Twenty-Second Supplemental Lease dated as of December 1, 2012 (the “Twenty-Second Supplemental Lease”), pursuant to which the Issuer shall cause the Series VIII, 2012 Additions to be leased to the Tenant in consideration of payments of Series VIII, 2012 Supplemental Basic Rent, Series VIII, 2012 Supplemental Additional Rent and other charges provided for therein; and

WHEREAS, the Series VIII, 2012 Bonds shall be equally and ratably secured and on a parity with the Outstanding Bonds and any Additional Bonds (collectively referred to hereinafter as the “Bonds”) subject to any partial redemption or release of pledged property permitted by the Lease or Indenture;

WHEREAS, the Issuer has heretofore issued its Taxable Industrial Revenue Bonds Series XV, 2001 (“the Series 2001 Bonds”) pursuant to a Fifth Supplemental Indenture and Fifth Supplemental Lease dated as of December 1, 2001; and

WHEREAS, the Trustee has certified that the 2001 Bonds have been paid in full and no 2001 Bonds remain Outstanding; and

WHEREAS, the Company desires to exercise its option to purchase that portion of the Project financed with the 2001 Bonds, exclusive of the Issuer’s interest in the Premises; and

WHEREAS, the City hereby waives the notice provisions of the Fifth Supplemental Lease dated as of December 1, 2001, with respect to the Company’s exercise of its option to purchase the 2001 Additions and finds and determines it necessary and desirable to execute a Bill of Sale conveying the 2001 Additions to the Company and to release the 2001 Additions from the Lease and from the pledge of the Indenture;

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF WICHITA, KANSAS AS FOLLOWS:

Section 1. Definition of Terms. All terms and phrases not otherwise defined herein shall have the respective meanings set forth in the Indenture and Lease.

Section 2. Authority to Cause the Series VIII, 2012 Additions to be Constructed, Installed and Equipped. The governing body of the Issuer hereby declares that the Series VIII, 2012 Additions, if in being, would promote the welfare of the City of Wichita, Kansas, and the Issuer is hereby authorized to cause the Series VIII, 2012 Additions to be constructed, installed and equipped all in the manner and as more particularly described in the Twenty-Second Supplemental Indenture and in the Twenty-Second Supplemental Lease hereinafter authorized.

Section 3. Authorization of and Security for the Series VIII, 2012 Bonds. There is hereby authorized and directed to be issued a series of the Issuer’s taxable industrial revenue bonds in an original aggregate principal amount not to exceed \$1,409,479.02 for the purpose of installing the improvements to certain existing aviation manufacturing and flight testing facilities and additions, as well as acquiring certain machinery and equipment to the existing facilities located in the City of Wichita, Kansas, such series of such taxable industrial revenue bonds to be designated “City of Wichita, Kansas, Taxable Industrial Revenue Bonds, Series VIII, 2012 (Learjet Inc.).” The Series VIII, 2012 Bonds shall be dated and bear interest, shall mature and be payable at such times, shall be in such forms, shall be subject to redemption and payment prior to the maturity thereof, and shall be issued in the manner prescribed and subject to the provisions, covenants and agreements set forth in the Indenture. The Series VIII, 2012 Bonds shall be equally and ratably secured and on a parity with the Outstanding Bonds and any Additional Bonds, subject to any partial redemption or release of pledged property permitted by the Lease or Indenture. The Series VIII, 2012 Bonds shall be special limited obligations of the Issuer payable

solely from the revenues derived by the Issuer pursuant to the Lease, or otherwise in connection with the Project. The Series VIII, 2012 Bonds shall not be general obligations of or constitute a pledge of the faith and credit of the Issuer within the meaning of any constitutional or statutory provision and shall not be payable in any manner from tax revenues. The Series VIII, 2012 Bonds shall be secured under the provisions of the Indenture and are authorized hereby.

Section 4. Authorization of Twenty-Second Supplemental Indenture. The Issuer is hereby authorized to enter into the Twenty-Second Supplemental Trust Indenture dated as of December 1, 2012 (the “Twenty-Second Supplemental Indenture”), by and between the Issuer and The Bank of New York Mellon Trust Company, N.A., St. Louis, Missouri, as trustee (the “Trustee”), under which the Issuer shall pledge and assign to the Trustee, for the benefit of the holders of the Bonds, the Trust Estate referenced herein, all upon the terms and conditions set forth in the Indenture.

Section 5. Lease of the Series VIII, 2012 Additions. The Issuer shall cause the Series VIII, 2012 Additions to be leased by the Issuer to the Tenant pursuant to and in accordance with the provisions of the Twenty-Second Supplemental Lease dated as of December 1, 2012 (the Twenty-Second Supplemental Lease”), by and between the Issuer and the Tenant.

Section 6. Authorization of Bond Purchase Agreement. The Series VIII, 2012 Bonds shall be sold and delivered to Learjet Inc., upon the terms and subject to the provisions of the Bond Purchase Agreement herein authorized dated as of December 1, 2012 (the “Bond Purchase Agreement”), by and between the Issuer and Learjet Inc., as purchaser.

Section 7. Approval of Guaranty Agreement. The form of Guaranty Agreement, dated as of December 1, 2012, pursuant to which the Tenant guarantees to the Trustee, for the benefit of the Owners of the Series VIII, 2012 Bonds, the full and prompt payment of the principal of, redemption premium, if any, and interest on the Series VIII, 2012 Bonds, is hereby approved.

Section 8. Authorization of Bill of Sale. The City is hereby authorized to deliver a Bill of Sale conveying the 2001 Additions from the City to the Tenant.

Section 9. Execution of Series VIII, 2012 Bonds and Agreements. The Mayor of the Issuer is hereby authorized and directed to execute the Series VIII, 2012 Bonds and deliver the same to the Trustee for authentication for and on behalf of and as the act and deed of the Issuer in the manner provided in the Indenture. The Mayor or Vice Mayor is hereby further authorized and directed to execute and deliver the Twenty-Second Supplemental Indenture, the Twenty-Second Supplemental Lease and the Bond Purchase Agreement for and on behalf of and as the act and deed of the Issuer with such minor corrections or amendments thereto as the Mayor or Vice Mayor shall approve (which approval shall be evidenced by his execution thereof) and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the purposes and intent of this Ordinance. The City Clerk and any Deputy City Clerk of the Issuer are hereby authorized and directed to attest the execution of the Series VIII, 2012 Bonds, the Twenty-Second Supplemental Indenture, the Twenty-Second Supplemental Lease and the Bond Purchase Agreement and such other documents, certificates

and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 10. Pledge of the Project. The Issuer hereby pledges the Series VIII, 2012 Additions and the net revenues therefrom to the payment of the Outstanding Bonds in accordance with K.S.A. 12-1744. The lien created by such pledge shall be discharged when all of the Series VIII, 2012 Bonds shall be deemed to have been paid within the meaning of the Indenture, as the same may be amended.

Section 11. Further Authority. The Issuer shall, and the officers, agents and employees of the Issuer are hereby authorized and directed to, take such action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the provisions of this Ordinance and to carry out, comply with and perform the duties of the Issuer with respect to the Series VIII, 2012 Bonds, the Twenty-Second Supplemental Indenture, the Twenty-Second Supplemental Lease and the Bond Purchase Agreement all as necessary to carry out and give effect to the transaction contemplated hereby and thereby.

Section 12. Effective Date. This Ordinance shall take effect and be in full force from and after its passage by the governing body of the City of Wichita, Kansas and publication once in the official newspaper of the Issuer.

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PASSED by the Governing Body of the City of Wichita, Kansas, and approved by the Mayor on December 18, 2012.

CITY OF WICHITA, KANSAS,
as Issuer

By: _____
Carl Brewer
Mayor

[SEAL]

ATTEST:

By: _____
Karen Sublett
City Clerk

Approved as to Form:

By: _____
Gary E. Rebenstorf
City Attorney